

McPherson County

Estimated Economic Impact of Agriculture, Food, and Food Processing Sectors

6/11/2018

Using the most recent IMPLAN data available (2016) adjusted for 2018, 24 agriculture, food, and food processing sectors were analyzed to determine their overall contribution to the McPherson County economy.¹

These 24 sectors have a total direct output of approximately **\$572.0 million** and support **2,158 jobs** in McPherson County. Running the model for all 24 sectors simultaneously produces the following results:

Agriculture, Food, and Food Processing Sector Contribution to Overall McPherson County Economy						
Impact Type ²	Employment	% Employment	Total Value Added ³	Total Value Added % of Gross Regional Product ⁴	Output ⁵	Output % of Gross Regional Product
Direct Effect	2157.6	9.76%	\$128,800,962	5.38%	\$571,987,725	23.87%
Indirect Effect	465.6	2.11%	\$53,072,953	2.22%	\$88,938,159	3.71%
Induced Effect	436.5	1.97%	\$27,460,320	1.15%	\$50,853,520	2.12%
Total Effect	3059.7	13.84%	\$209,334,234	8.74%	\$711,779,404	29.71%

As shown in the above table, agriculture, food, and food processing sectors support **3,060 jobs**, or **13.84%** of the entire workforce in the county. These sectors provide a total economic contribution of approximately **\$711.8 million**, roughly **29.71% of the economy**.

Another metric used to calculate the importance of sectors in an economy is their value added as a percentage of GRP. Total value added by the 24 agriculture, food, and food processing sectors is approximately **\$209.3 million**, or **8.74% of the GRP**. This indicates that personal income, business income, and taxes generated by these sectors account for **8.74% of the total economy**.

The following tables document the top industries affected by employment and output, as well as a listing of all industries that were analyzed.

¹ Article on building a contribution analysis in IMPLAN that avoids double counting:

http://www.implan.com/index.php?option=com_content&view=article&id=660%3A660&catid=253%3AKB33&Itemid=70

² Direct, indirect, and induced effects sum together to estimate the total economic contribution in the state. **Direct effects** capture the contribution from agricultural and food products. **Indirect effects** capture the economic benefit from farms and agricultural businesses purchasing inputs from supporting industries within the state. **Induced effects** capture the benefits created when employees of farms, agricultural businesses, and the supporting industries spend their wages on goods and services within the state.

³ Value added = labor income + indirect business taxes + other property type income.

⁴ GRP = final demand of households + governments expenditures + capital + exports - imports - institutional sales.

⁵ Output = intermediate inputs + value added.

In the top ten agriculture, food, and food processing sectors by employment, the beef cattle ranching and farming, including feedlots and dual-purpose ranching and farming sector is the top employer with **699 employees**. This table also shows the amount of jobs that are created by the agriculture industry in McPherson County.

Top Ten Agriculture, Food, and Food Processing Sectors by Employment		
Sector	Total Employment	Total Output
Beef cattle ranching and farming, including feedlots and dual-purpose ranching and farming	699.0	\$61,147,605
Farm machinery and equipment manufacturing	290.4	\$142,831,876
Grain farming	286.5	\$78,210,969
All other industrial machinery manufacturing	253.9	\$68,317,780
Landscape and horticultural services	166.2	\$6,349,479
Support activities for agriculture and forestry	79.7	\$23,166,283
Tortilla manufacturing	69.2	\$13,958,325
Frozen specialties manufacturing	62.2	\$23,161,010
Real estate	57.4	\$6,743,442
Animal production, except cattle and poultry and eggs	53.2	\$4,889,334

The farm machinery and equipment manufacturing sector directly contributes approximately **\$142.8 million** to the McPherson County economy. The table below also shows the amount of revenue that is generated in other industries by having a strong agriculture industry.

Top Ten Agriculture, Food, and Food Processing Sectors by Output		
Sector	Total Employment	Total Output
Farm machinery and equipment manufacturing	290.4	\$142,831,876
Grain farming	286.5	\$78,210,969
All other industrial machinery manufacturing	253.9	\$68,317,780
Beef cattle ranching and farming, including feedlots and dual-purpose ranching and farming	699.0	\$61,147,605
Wet corn milling	29.3	\$58,678,494
Flour milling	25.5	\$35,621,981
Oilseed farming	42.0	\$32,217,862
Support activities for agriculture and forestry	79.7	\$23,166,283
Frozen specialties manufacturing	62.2	\$23,161,010
Other animal food manufacturing	13.3	\$17,895,397

Below is a summary of all agriculture data with employment levels and output level. These values can tell how many jobs are represented by each agriculture, food, and food processing sector and the output they contributed to the McPherson County economy.

All Agriculture, Food, and Food Processing Sectors		
Sector	Total Employment	Total Output
Oilseed farming	42.0	\$32,217,861.71
Grain farming	286.5	\$78,210,969.32
Vegetable and melon farming	0.3	\$48,197.52
Fruit farming	0.1	\$5,296.52
Greenhouse, nursery, and floriculture production	1.2	\$120,489.95
All other crop farming	52.6	\$2,962,309.65
Beef cattle ranching and farming, including feedlots and dual-purpose ranching and farming	699.0	\$61,147,604.92
Dairy cattle and milk production	11.5	\$3,395,802.89
Poultry and egg production	1.7	\$1,023,959.21
Animal production, except cattle and poultry and eggs	53.2	\$4,889,333.95
Commercial logging	2.7	\$202,561.18
Commercial hunting and trapping	5.5	\$34,153.08
Other animal food manufacturing	13.3	\$17,895,397.42
Flour milling	25.5	\$35,621,980.55
Wet corn milling	29.3	\$58,678,493.98
Frozen specialties manufacturing	62.2	\$23,161,010.33
Animal, except poultry, slaughtering	19.3	\$13,707,308.06
Bread and bakery product, except frozen, manufacturing	17.8	\$2,132,470.83
Frozen cakes and other pastries manufacturing	1.0	\$155,720.77
Tortilla manufacturing	69.2	\$13,958,325.28
Farm machinery and equipment manufacturing	290.4	\$142,831,875.55
All other industrial machinery manufacturing	253.9	\$68,317,780.05
Veterinary services	53.0	\$4,919,343.23
Landscape and horticultural services	166.2	\$6,349,478.90

All 105 counties in Kansas have an IMPLAN model and an agriculture, food, and food processing contribution summary. These values do not factor in the retail environment of food sales. Food retail is important, but in order to provide the most accurate picture of what production agricultural and processing contributes to McPherson County, the retail sector was omitted.